

ORDER OF ANNEXATION

The Board of Trustees of the GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT, Douglas County, State of Nevada, (hereinafter "DISTRICT" or "GRGID") hereby orders as follows:

W I T N E S S E T H

WHEREAS, a Petition for the Inclusion of Real Property into the DISTRICT dated September 14, 2000, has been filed with the DISTRICT requesting the inclusion into the DISTRICT of the real property described in Exhibits "A" and "B" to the Petition. Generally, the property requested to be included within the DISTRICT includes approximately 35,349 square feet or 0.81 acres, more or less. The property sought to be annexed is further identified as Douglas County, Nevada Assessor's Parcel No. 1220-10-811-033, and may be commonly known as 1029 Riverview Drive, Gardnerville, Nevada, 89410; and

WHEREAS, the Petition was determined to be in proper form, and was signed by the officers of the fee owner of the property which sought the DISTRICT's Order of Annexation. At the general business meeting of the DISTRICT Board of Trustees ("Board") held on October 4, 2000, the Petition for Inclusion of Real Property into the DISTRICT was approved subject to the conditions of approval; and

WHEREAS, the Board had previously fixed the date and time of Wednesday, October 4, 2000 at the hour of 6:00 o'clock p.m. at the DISTRICT's office located at 931 Mitch Drive, Gardnerville, Nevada as the date, time and place when the Board would conduct a public hearing, and thereafter take action on the Petition for Inclusion of Real Property; and

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WHEREAS, the Board on October 4, 2000 acted to approve the Petition for Inclusion of Real Property into the Gardnerville Ranchos General Improvement DISTRICT submitted by the fee owner of the property, to wit: LAGUNAK, INC., a Nevada corporation; and

WHEREAS, prior to the Petition for Inclusion being heard by the Board, the District Manager caused notice to be given of the time, place and date of the meeting at which the Petition would be considered. No person listed in the Petition for Annexation as a fee owner sought to have any portion of the property withdrawn. Further, the parcel so included is capable of being served by the facilities of the DISTRICT, and the parcel described would be benefited by inclusion within the DISTRICT. Similarly, the DISTRICT would be benefited by the property being included herein; and

WHEREAS, at the public hearing conducted on the Petition for Inclusion of Real Property, the public was invited to comment either in favor of or against the Petition for Inclusion. After hearing no public comment in opposition to the Petition, the public hearing was closed by the Chairman of the Board. Thereafter, the Board acted to include the property described in the Petition for Inclusion of Real Property within the DISTRICT, subject to compliance with the requirements of the Policies and Procedures Manual and a deed restriction or other recordable instrument to be signed by the Petitioner's Officers setting forth that the Petitioner would pay any further and increased annexation fees should the future use of the property change from the use which existed as of October 4, 2000. Petitioner represented that the property was currently the subject of an abandoned tennis

court, and that no plans to develop the property were contemplated by the Petitioner.

Based upon the parcel's current use the Board agreed to waive any annexation fees which might be required were the property to be developed by the Petitioner. Petitioner agreed to pay, or bind its successors in interest to pay, annexation fees for the parcel included into the DISTRICT in the event that the future use of the Petitioner's property changed to a different use than that which existed on October 4, 2000.

Petitioner shall consent to the assessment by the DISTRICT of annexation fees calculated as the difference between the annexation fee waived by the Board at the time of the annexation and those fees which would be assessed if the property had been the subject of a development proposal at the time of its annexation.

Petitioners have been provided with, and shall duly execute, the DISTRICT's standard form "Consent to Payment of Annexation Fees" prior to the recordation of this Order; and

WHEREAS, by action of the Board, when all acts and conditions and requirements of the law and of the approval of the Petition for Inclusion of Real Property within the DISTRICT have been complied with in regular and due form, and in strict compliance with NRS 318.258 "Inclusion", and the certification to that effect by the District Manager and the District Engineer is received by the Board, the Board will enter this order as is required by the NRS.

Upon execution of this Order by the Chairman, and upon compliance with all conditions of approval, the Order shall be

filed as is required with the Clerk of Douglas County, Nevada for her thereafter filing the same with the Secretary of the State of Nevada; and

WHEREAS, the Board orders that the annexation be granted, and this Order recorded, only upon the Petitioners' compliance with the Conditions of Annexation, and compliance with all applicable ordinances and resolutions of Douglas County and the Policies and Procedures Manual of the DISTRICT. Thereafter, this Order shall be recorded with the Office of the Recorder of Douglas County, Nevada.

NOW, THEREFORE, THE BOARD OF TRUSTEES OF THE GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT ORDERS AS FOLLOWS:

1. The property ordered to be included, described in Exhibits "A" and "B" to the Petition for Inclusion of Real Property into the DISTRICT and Exhibits "A" and "B" to this Order, is included within the DISTRICT upon the Petitioner's compliance with the following conditions:

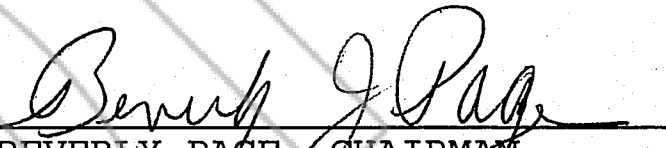
A. Douglas County, Nevada Assessor's Parcel No. 1220-10-811-033, also commonly known as 1029 Riverview Drive, Gardnerville, Nevada, 89410, shall be annexed, in its entirety, into the DISTRICT.

B. The Board waives the requirement to pay annexation fees to the DISTRICT pursuant to the requirements of the DISTRICT's Policies and Procedures Manual; subject however to any change in use of the property included within the DISTRICT from that use which existed as of October 4, 2000.

C. Pursuant to the provisions of the DISTRICT'S Policies and Procedures Manual, the Petitioners shall be required to remit to the DISTRICT any deferred Annexation fees should any portion of the property annexed be changed in use from that which existed on October 4, 2000, or should the parcel be rezoned to a higher land use or a higher density, or should the parcels owned by the Petitioner later require additional sewer and/or water service than the parcels (one of which is the subject annexed parcel) require at the time of this order.

D. Upon compliance with the requirements of the Policies and Procedures Manual, and this Order, this Order shall be recorded, and the property of the Petitioner's annexed into the GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT.

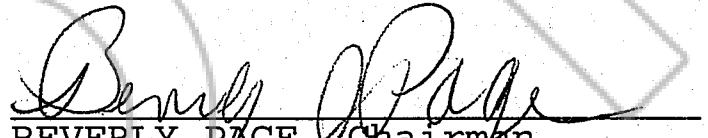
DATED: this 12th day of October, 2000.


BEVERLY PAGE, CHAIRMAN
GARDNERVILLE RANCHOS
GENERAL IMPROVEMENT DISTRICT


A C K N O W L E D G E M E N T

STATE OF NEVADA)
) ss.
COUNTY OF DOUGLAS)

On the 12th day of October, 2000 personally appeared before me a Notarial Officer in and for Douglas County, BEVERLY PAGE, Chairman of the GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT Board of Trustees, who satisfactorily proved to me to be the person described and who executed the above document and who acknowledged to me that he executed the same for the purposes therein stated.


BEVERLY PAGE, Chairman
Gardnerville Ranchos General
Improvement District

Signed and sworn to before me on this 12th day of October, 2000 by BEVERLY PAGE.


NOTARIAL OFFICER



REQUESTED BY
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IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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RECORDER

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